

Business Property Statement Program

General

[Section 441\(a\)](#) provides that each person owning taxable personal property (other than a manufactured home) having an aggregate cost of \$100,000 or more for any assessment year shall file a signed business property statement (BPS) with the assessor. Those persons owning personal property not required to file a BPS must do so only upon request from the assessor.

[Section 441\(b\)](#) provides that the BPS shall be signed under penalty of perjury and filed annually with the assessor between the lien date and 5 p.m. on April 1. The penalty provided for in [section 463](#) shall apply if the BPS is not filed by May 7.

[Section 1604](#) and [Rule 309](#) provide that a hearing must be held and a final determination made on an application for reduction within two years of the timely filing of the application, unless the applicant or the applicant's agent and the appeals board mutually agree in writing, or on the record, to an extension of time. If a hearing is not held and a determination is not made within the two-year time period, the applicant's opinion of value stated on the application must be enrolled. For applications involving a base year value appeal, the applicant's opinion of value shall be enrolled until the appeals board makes a final determination on the application. For applications involving a decline in value or personal property assessment appeal, the applicant's opinion of value shall be enrolled for the tax year(s) covered by the application.

Scope of Review

General Program Elements

- Does the assessor have written procedures for processing BPSs?
- Does the assessor use the proper Board-prescribed forms when processing BPSs?
- Does the assessor use any county-developed forms when processing BPSs?
- How many BPSs are processed annually and what is their total assessed value as shown on the secured roll and on the unsecured roll for the following:
 - General Business?
 - Agricultural?
 - Apartments?
 - Financial?
 - Leased Equipment?
 - Service Stations?
 - Direct Billing?
 - Other?

Discovery

- Besides self-reporting by the taxpayer, what methods does the assessor use to discover taxable business property?
 - Field canvassing?
 - Sales tax permits?
 - Business directory services?
 - Pollution control equipment financing bonds?
 - [BOE-600-B, Schedule of Leased Equipment Which is to be Reported by Lessor to Local Assessor for Assessment](#), as notified by the BOE's Valuation Division?
 - Referrals from the real property appraisers?
 - Fictitious business name filings?
 - Business licenses issued by the city and county?
 - Landlord reports of tenants?

General Statement Processing

- Does the assessor use only Board-prescribed property statements?
- Does the assessor send out additional information or requests for information along with the BPSs?
- Does the assessor secure the business property assessment to the real property assessment when the ownership is the same?
- Does the assessor allow the taxpayer to submit attachments in lieu of completing the BPS? If so, what is the assessor's required format?
- Upon request, does the assessor return duplicate property statements to the taxpayer in accordance with [section 443.1](#)?
- Does the assessor use noncertified staff to assist in the processing of BPSs? If so, in what capacity is noncertified staff utilized in this process?
- Does certified staff review all work processed or performed by noncertified staff?
- Does the assessor provide assistance to taxpayers in filling out their BPSs?
- Does the assessor require nonprofit organizations to file BPSs?
- Does the assessor require the taxpayer to complete the change in ownership portion of the BPS (questions (g)1-(g)4 on the [BOE-571-L, Business Property Statement](#))?
- How does the assessor handle incomplete BPS filings?
- How does the assessor handle BPSs that are submitted without a signature?
- Does the assessor obtain and keep written authorizations for agents to sign BPSs on behalf of the taxpayer?

Penalty Process for Late or Nonfiled BPSs

- What are the assessor's procedures when a taxpayer fails to file a BPS or files the BPS late?
- Does the assessor prepare an annual listing of estimated assessments? If so, does the listing show a four-year history?

- Does the assessor apply the [section 463](#) penalty to all late and nonfiled BPSs?
- Are late and nonfiling penalties only applied when using a Board-prescribed form or does the assessor also apply the penalty when a county-developed form is used?
- Is the [section 463](#) penalty applied to both the secured and unsecured accounts?
- Are there a limited number of years in which the assessor will enroll an estimated assessment for nonfiling taxpayers before an audit is scheduled and/or contact is made with the taxpayer? If so, what is the limit?

Direct Billing

- Does the assessor have a direct billing program? If so,
 - What criteria and/or parameters are used to enroll a business account in the direct billing program?
 - Are multi-location businesses included in the direct billing program?
 - Are direct billing accounts updated by sending BPSs at periodic intervals? If so, how often are BPSs sent?

E-Filing BPSs

- Does the assessor have an e-filing program for BPSs? If so,
 - How many taxpayers utilize this e-filing program?
 - What electronic media does the assessor use for this e-filing program?
 - What method(s) does the assessor use to authenticate signatures for the e-filing program?
 - Has the assessor submitted this method of signature authentication to the BOE for approval?

Apartment Statements

- Does the assessor use Board-prescribed [BOE-571-R, Apartment House Property Statement](#)?
- Does the assessor properly coordinate apartment assessments between the business property division and the real property division?
- Does the assessor check for possible leasing arrangements when auditing or reviewing apartment houses?
- How does the assessor value apartment personal property?
 - Information provided on the BPS?
 - Arbitrary fixed amount per unit?
 - Other method?

Coordination

- Do the assessor's procedures include coordination between the business property division and the real property division? If so,

- Does the business property division refer land and structural improvements reported on the BPS to the real property division?
- Does the assessor utilize an in-house referral slip to track and document the coordination between the divisions?
- Are fixtures and improvements enrolled directly from the BPS? Or does the business property division coordinate with the real property division in order to make proper classification determinations and to avoid potential escape assessments or double assessments?
- Are fixtures and improvements owned by a landlord assessed differently than those owned by a tenant?
- Is construction in progress coordinated between the business property division and the real property division to ensure proper allocation between improvements and personalty?
- Does the assessor have a minimum value threshold for enrollment of business property? If so, what is that threshold? What happens to business property that is reported below the minimum value threshold?
- Does the assessor cross-check the leased equipment information submitted by assessees, lessors, consignees, or tenants?

Record Storage and Retention

- Does the assessor retain BPSs in accordance with [section 465](#)?
- Does the assessor periodically purge old data and/or obsolete material from the property record files? If so, how often? Does this comply with the requirements of [section 465](#)?